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July 20, 1998

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**RECEIVED**

**JUL 20 1998**

Federal Communications Commission  
Office of Secretary

Kathryn C. Brown, Chief  
Common Carrier Bureau  
Federal Communications Commission  
1919 M Street N.W. Room 500  
Washington, D.C. 20554

Re: Request for Advisory Opinion Concerning LEC  
Customer Notification Procedures Before  
Implementation of PIC-Change Orders

Dear Ms. Brown:

On behalf of Skyline Telephone Membership Corporation ("Skyline"), Yadkin Valley Telephone Membership Corporation ("Yadkin") and Bledsoe Telephone Cooperative, Inc. ("Bledsoe") (individually a "LEC" and collectively the "LECs"), this letter is to request an advisory opinion of the Commission staff on a matter which has been a subject of recent correspondence to each of the LECs from an interexchange carrier ("IXC"). A copy of a letter dated July 9, 1998 from MCI Communications Corporation ("MCI") to each of the LECs is attached for reference.

The LECs are unaffiliated, incumbent local exchange carriers which serve predominantly rural areas. We ask for interpretation or clarification of §64.1100 of the Commission's rules and Sections 201 and 258 of the Communications Act of 1934, as amended ("the Act").

Each of the LECs has established a procedure which is routinely followed upon receipt of a primary interexchange carrier ("PIC") change order involving any LEC customer. The procedures are designed to give prompt notice to any LEC customer whose number is the subject of a PIC change order received by the LEC.

While procedures vary somewhat from company to company, all of

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Kathryn C. Brown, Chief  
July 20, 1998  
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the LECs verify PIC-change requests through notification to affected customers either by phone or by mail. Customers are informed of the LEC's receipt of the PIC-change order and the fact that the change will be made absent a contrary request by the customer<sup>1</sup> or that the change will not be made until the customer calls the LEC to verify that the change order is correct.<sup>2</sup> Each LEC institutes its procedures promptly upon receipt of a PIC-change order.

The PIC-change verification process is intended to curb the frequency of "slamming" within the LEC's customer base and to minimize the possibility of error in PIC changes. In practice the notification procedures have proved effective as a means to avoid mistakes in PIC assignments which are costly in terms of time devoted to resolution of customer complaints and in a loss of customer confidence in the LEC's handling of the customer account. Each of the LECs believes that effective communication with customers about a significant change in routing of their IXC traffic is a responsible customer service function.

MCI's letter to each LEC contends that a practice of LEC confirmation of a PIC-change order is "...unnecessarily redundant, anti-competitive and, accordingly, unlawful." MCI threatens litigation if the LECs do not discontinue their practices in this regard.

The LECs find that their notification procedures result in avoidance of unauthorized PIC changes. In this manner the process is not redundant, but a reasonable action to verify a written order that a customer normally would not see. Neither is the practice anticompetitive, as MCI contends, since it is applicable to all PIC-change requests regardless of the requesting IXC.

Finally, MCI claims that the LEC procedures are violative of Sections 201 and 258 of the Act. LECs base their current practice on the fact that the current FCC rules and the Act are silent as to

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<sup>1</sup> Skyline utilizes a procedure which involves notice without need for response by the customer. Yadkin has adopted the same type of procedure whereby a customer is notified of Yadkin's receipt of the PIC-change order, and told that the change will be implemented unless Yadkin is informed otherwise.

<sup>2</sup> Bledsoe notifies an affected customer by mail of its receipt of the PIC-change order and the name of the IXC involved. The customer is informed that the change will not be made until the customer calls Bledsoe, at the number provided in the notice, to verify that the order is correct.

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the procedures to be followed by LECs which receive PIC-change requests. The Commission itself has noted that existing rules and orders only address the requirements to be met by IXCs: "Neither the *PIC Change Order* nor the *PIC Change Reconsideration Order* identifies or prescribes PIC-change verification or processing procedures for LECs to follow....[T]here is nothing in the PIC-change rules or orders to preclude LECs from developing their own procedures for processing payphone PIC-change requests submitted by IXCs, as long as such procedures are not inconsistent with the Commission's PIC-change rules and orders. See *Memorandum Opinion and Order RCI Long Distance v. New York Telephone Company, New England Telephone & Telegraph Company, et al.* 11 FCC Rcd 8090, 8097 (1996). As such, the LECs request an opinion of Commission staff as to the propriety of a reasonable notification process by a LEC before a PIC-change order is implemented.

Please respond or direct any inquiries to this office.

Very truly yours,



David L. Nace  
B. Lynn F. Ratnavale

cc: Robbie Rutstein, Director  
Order and Billing Control  
MCI Communications Corporation  
707-17th Street, Suite 4200  
Denver, Colorado 80202



**MCI Telecommunications  
Corporation**

707-17th Street  
Suite 4200  
Denver, CO 80202

July 9, 1998

Mr. H.G. Davis  
General Manager  
Skyline Telephone Membership Corp.  
P.O. Box 759  
West Jefferson, NC 28694

Dear Mr. Davis:

This correspondence is sent to request that Skyline Telephone Membership Corp. immediately and permanently discontinue its practice of refusing to execute customer PIC change orders submitted by MCI, unless and until those orders are independently confirmed by Skyline Telephone Membership Corp. As you are aware, MCI confirms, by an FCC-sanctioned third-party verification ("TPV") process, the order of every customer who requests migration to MCI service. Thus, Skyline Telephone Membership Corp.'s subject TPV practice is unnecessarily redundant, anti-competitive and, accordingly, unlawful.

Skyline Telephone Membership Corp.'s refusal to honor the PIC change requests of prospective MCI customers, in effect, imposes a PIC freeze on those subscribers without their consent. This unlawful Skyline Telephone Membership Corp. conduct results in delays and, in some cases, rejections of customer PIC change orders. The above-referenced conduct of Skyline Telephone Membership Corp. is directly violative of sections 201 and 258 of the Communications Act. Please be advised that, if Skyline Telephone Membership Corp. refuses to immediately and permanently discontinue its subject TPV practice, MCI will be forced to litigate this matter.

Please respond to this request, in writing, no later than July 20, 1998.

Sincerely,

Robbie Rutstein  
Director  
Order & Billing Control

cc: C. Wilson, M. Chapman, C. Sawyer, P. Mews-Bailey

**MCI Telecommunications  
Corporation**

707-17th Street  
Suite 4200  
Denver, CO 80202

July 9, 1998

Mr. Jeffrey Adams  
General Manager  
Yadkin Valley Telephone Membership Corp.  
P.O. Box 368  
Yadkinville, NC 27055

Dear Mr. Adams:

This correspondence is sent to request that Yadkin Valley Telephone Membership Corp. immediately and permanently discontinue its practice of refusing to execute customer PIC change orders submitted by MCI, unless and until those orders are independently confirmed by Yadkin Valley Telephone Membership Corp. As you are aware, MCI confirms, by an FCC-sanctioned third-party verification ("TPV") process, the order of every customer who requests migration to MCI service. Thus, Yadkin Valley Telephone Membership Corp.'s subject TPV practice is unnecessarily redundant, anti-competitive and, accordingly, unlawful.

Yadkin Valley Telephone Membership Corp.'s refusal to honor the PIC change requests of prospective MCI customers, in effect, imposes a PIC freeze on those subscribers without their consent. This unlawful Yadkin Valley Telephone Membership Corp. conduct results in delays and, in some cases, rejections of customer PIC change orders. The above-referenced conduct of Yadkin Valley Telephone Membership Corp. is directly violative of sections 201 and 258 of the Communications Act. Please be advised that, if Yadkin Valley Telephone Membership Corp. refuses to immediately and permanently discontinue its subject TPV practice, MCI will be forced to litigate this matter.

Please respond to this request, in writing, no later than July 20, 1998.

Sincerely,

A handwritten signature in cursive script that reads "Robbie Rutstein".

Robbie Rutstein  
Director  
Order & Billing Control

cc: C. Wilson, M. Chapman, C. Sawyer, P. Mews-Bailey





**MCI Telecommunications  
Corporation**

707-17th Street  
Suite 4200  
Denver, CO 80202

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July 9, 1998

Mr. Gregg Anderson  
General Manager  
Bledsoe Telephone Coop.  
P.O. Box 609  
Pikeville, TN 36367

Dear Mr. Anderson:

This correspondence is sent to request that Bledsoe Telephone Coop. immediately and permanently discontinue its practice of refusing to execute customer PIC change orders submitted by MCI, unless and until those orders are independently confirmed by Bledsoe Telephone Coop. As you are aware, MCI confirms, by an FCC-sanctioned third-party verification ("TPV") process, the order of every customer who requests migration to MCI service. Thus, Bledsoe Telephone Coop.'s subject TPV practice is unnecessarily redundant, anti-competitive and, accordingly, unlawful.

Bledsoe Telephone Coop.'s refusal to honor the PIC change requests of prospective MCI customers, in effect, imposes a PIC freeze on those subscribers without their consent. This unlawful Bledsoe Telephone Coop. conduct results in delays and, in some cases, rejections of customer PIC change orders. The above-referenced conduct of Bledsoe Telephone Coop. is directly violative of sections 201 and 258 of the Communications Act. Please be advised that, if Bledsoe Telephone Coop. refuses to immediately and permanently discontinue its subject TPV practice, MCI will be forced to litigate this matter.

Please respond to this request, in writing, no later than July 20, 1998.

Sincerely,

Robbie Rutstein  
Director  
Order & Billing Control

cc: C. Wilson, M. Chapman, C. Sawyer, P. Mews-Bailey